

AMENDED IN SENATE APRIL 23, 2015

AMENDED IN SENATE APRIL 6, 2015

SENATE BILL

No. 400

Introduced by Senator Lara

February 25, 2015

An act to amend Section 39719 of the Health and Safety Code, relating to greenhouse gases, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 400, as amended, Lara. California Global Warming Solutions Act of 2006: Greenhouse Gas Reduction Fund.

The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The state board is required to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020. The act authorizes the state board to include the use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by the state board from the auction or sale of allowances as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available upon appropriation. Existing law makes a specified continuous appropriation to the High-Speed Rail Authority from the fund.

This bill would require ~~that the High-Speed Rail Authority to allocate~~ not less than 25% of the moneys continuously appropriated ~~to the High-Speed Rail Authority to the authority~~ from the fund ~~be allocated~~ to *environmental mitigation* measures and projects that reduce greenhouse gas emissions from transportation sources and provide a

cobenefit of improving air quality. The bill would require priority to be given *within this expenditure category* to measures and projects *that are* located in communities ~~that are located~~ in areas designated as extreme nonattainment. The bill ~~expands~~ *would expand* the purposes of a continuous appropriation, thereby making an appropriation.

Vote: majority. Appropriation: yes. Fiscal committee: yes.

State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 39719 of the Health and Safety Code is
2 amended to read:

3 39719. (a) The Legislature shall appropriate the annual
4 proceeds of the fund for the purpose of reducing greenhouse gas
5 emissions in this state in accordance with the requirements of
6 Section 39712.

7 (b) To carry out a portion of the requirements of subdivision
8 (a), annual proceeds are continuously appropriated for the
9 following:

10 (1) Beginning in the 2015–16 fiscal year, and notwithstanding
11 Section 13340 of the Government Code, 35 percent of annual
12 proceeds are continuously appropriated, without regard to fiscal
13 years, for transit, affordable housing, and sustainable communities
14 programs as following:

15 (A) Ten percent of the annual proceeds of the fund is hereby
16 continuously appropriated to the Transportation Agency for the
17 Transit and Intercity Rail Capital Program created by Part 2
18 (commencing with Section 75220) of Division 44 of the Public
19 Resources Code.

20 (B) Five percent of the annual proceeds of the fund is hereby
21 continuously appropriated to the Low Carbon Transit Operations
22 Program created by Part 3 (commencing with Section 75230) of
23 Division 44 of the Public Resources Code. Moneys shall be
24 allocated by the Controller, according to requirements of the
25 program, and pursuant to the distribution formula in subdivision
26 (b) or (c) of Section 99312 of, and Sections 99313 and 99314 of,
27 the Public Utilities Code.

28 (C) Twenty percent of the annual proceeds of the fund is hereby
29 continuously appropriated to the Strategic Growth Council for the
30 Affordable Housing and Sustainable Communities Program created

by Part 1 (commencing with Section 75200) of Division 44 of the Public Resources Code. Of the amount appropriated in this subparagraph, no less than 10 percent of the annual proceeds, shall be expended for affordable housing, consistent with the provisions of that program.

(2) (A) Beginning in the 2015–16 fiscal year, notwithstanding Section 13340 of the Government Code, 25 percent of the annual proceeds of the fund is hereby continuously appropriated to the High-Speed Rail Authority and, except as provided in subparagraph (B), and shall be allocated for the following components of the initial operating segment and Phase I Blended System as described in the 2012 business plan adopted pursuant to Section 185033 of the Public Utilities Code:

- (i) Acquisition and construction costs of the project.
- (ii) Environmental review and design costs of the project.
- (iii) *Environmental mitigation measures and projects that reduce greenhouse gas emissions from transportation sources and provide a cobenefit of improving air quality.*
- ~~(iii)~~
- (iv) Other capital costs of the project.
- ~~(iv)~~
- (v) Repayment of any loans made to the authority to fund the project.

~~(B) Not~~ *The High-Speed Rail Authority shall allocate not less than 25 percent of the moneys appropriated pursuant to subparagraph (A) shall be allocated to measures and projects that reduce greenhouse gas emissions from transportation sources and provide a cobenefit of improving air quality. Priority shall be given to measures and projects in communities that are located in areas designated as extreme nonattainment. for the purposes of clause (iii) of subparagraph (A). Priority for allocating funding for those purposes shall be given to measures and projects in communities that are located in areas designated as extreme nonattainment.*

(C) *Measures and projects eligible for funding pursuant to clause (iii) of subparagraph (A) may include, but are not limited to, the following:*

- (i) *Public transit improvements that reduce congestion by improving transit service or frequency of transit service.*
- (ii) *Transportation improvements that reduce congestion, including network improvements and roadway modifications.*

1 (iii) *Alternative transportation options, including infrastructure*
2 *improvements that support clean transportation, facilitate bicycle*
3 *and pedestrian use, and connect bicycle and pedestrian routes to*
4 *transit facilities.*

5 (iv) *Natural systems, including rural and urban forests, that*
6 *reduce greenhouse gas emissions or increase the sequestration of*
7 *carbon to mitigate the impacts of greenhouse gas emissions and*
8 *create greater climate resiliency.*

9 (v) *Reduction of emissions directly associated with construction*
10 *of the high-speed rail project, including the use of low and*
11 *zero-emission equipment for transportation and construction.*

12 (c) In determining the amount of annual proceeds of the fund
13 for the purposes of the calculation in subdivision (b), the moneys
14 subject to Section 39719.1 shall not be included.